

THIS AMENDMENT:	
_____ Passed _____	Passed as amended by _____
_____ Failed _____	Not Offered _____



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RECEIVED

ORIGINAL

MAYES PROPOSED AMENDMENT 2

MAR -1 P 12:07

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

TIME/DATE PREPARED: March 1, 2010 10:00 a.m.

COMPANY: Arizona Public Service

AGENDA ITEM NO. 25

DOCKET NO. E-01345A-09-0338

OPEN MEETING DATE: 3-3-10

Page 6, line 25, INSERT New Finding of Fact: "While the Commission believes that utility ownership of renewable energy projects can be beneficial to both the Company and its customers, we are also mindful of the benefits that accrue from renewable energy produced by independent power providers. As The Vote Solar Initiative noted in its comments filed in this docket, independently produced and locally sited solar generation has the potential to ease transmission bottlenecks on a utility's system, thereby lowering costs for ratepayers associated with incremental new generation and distribution infrastructure. Providing an opportunity for independent power providers to assist utilities in meeting the RES also brings an element of competition to the RES programs and could leverage private capital in a way that lowers the cost of renewable energy over time. It is today unclear whether utility-owned solar will ultimately prove less expensive than solar produced by independent power providers, and by pairing utility-owned solar projects with projects provided by developers, the Commission will be able to compare the costs of these projects on a levelized cost of energy basis.

Therefore, we believe that APS should be required to develop a plan for Commission consideration to procure at least 25 megawatts of solar from independent power providers, in addition to the 100 Megawatts that are being approved in this Order. Additionally, we believe that because the 25 Megawatts would be procured generation, the costs associated with the 25 megawatts would be eligible for recovery through the Company's Power Supply Adjustment mechanism. The Company should make a proposal for the 25 megawatts using the Company's existing Small Generation Pilot Program. We will require APS to make such proposals as part of its 2011 REST Implementation Plan."

Page 7, line 10, INSERT New Ordering Paragraph: "IT IS FURTHER ORDERED THAT the Arizona Public Service Company shall develop proposals to procure at least 25 megawatts of solar (these 25 megawatts are above and beyond the 100 megawatts in the Company's proposed AZ Sun Project) from independent power providers and file the proposals as part of the Company's 2011 REST Implementation Plan, and possibly using Arizona Public Service Company's existing Small Generation Pilot Program."

Make all conforming changes.

Arizona Corporation Commission
DOCKETED

MAR - 1 2010

